

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2004-283-C - ORDER NO. 2005-243
JULY 22, 2005

IN RE: Application of Nationwide Professional)
 Teleservices, LLC for a Certificate of Public)
 Convenience and Necessity to Provide Resold)
 Telecommunications Services within the State)
 of South Carolina.)

ORDER DENYING
REHEARING OR
RECONSIDERATION

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Petition for Rehearing or Reconsideration of Order No. 2005-148 filed by the Office of Regulatory Staff (ORS) in this Docket involving Nationwide Professional Teleservices, LLC (Nationwide or the Company). Nationwide has filed a response in opposition to the Petition. Because of the reasoning as stated below, we deny the Petition.

ORS' only concern with Order No. 2005-148 appears to be that this Commission did not order Nationwide to post a bond. As stated by ORS, our Order noted that this Commission had only ordered companies offering prepaid long distance calling cards to post bonds in the past. Since no such card is to be offered by Nationwide, we declined to order the posting of a bond. Further, we explained that we did not wish to expand the use of the bond in telephone cases beyond the situation where a pre-paid long distance calling card is offered by a telecommunications company. Order at 5, 10. ORS states that we would not be expanding the use of the bond if we required Nationwide to post a bond. ORS refers this Commission to Order No. 98-932, issued in Docket No. 98-305-C. In that

case Annox, Inc. wished to provide long distance services via an 800-access number, and that there was no request to issue calling cards.

Further, ORS contends that the same problem exists when a company provides pre-paid long distance calling services, with or without a card. The Commission considered pre-paid calling cards in Order No. 93-600, and stated, “where a subscriber must pay for services before the services are rendered, this Commission believes that a bond is necessary for the protection of the subscribers in South Carolina until such time as the Company has operated in the State and has had the opportunity to demonstrate its stability.” ORS contends that although this Order involved the issuance of prepaid calling cards, the rationale of the Commission for requiring the bond only referenced payment for services before the services are rendered, not the issuance of a card. ORS further states that in the instant matter, subscribers must pay for services before the services are rendered, just as described in Order No. 93-600 as the Commission’s reasoning for posting a bond. Therefore, ORS believes that a bond should be required.

ORS further noted that in testimony rendered during the hearing on this matter, Ms. Lutich, President of Nationwide, set forth the proposed service which would allow a thirty day trial of services at no charge to the consumer. Upon the expiration of that 30 day trial period, the customer would have to pay \$19.95 for an initial set-up fee. The consumer would then pay \$39.95 each month before long distance services are rendered. According to ORS, if Nationwide was to unexpectedly exit the market prior to rendering service, the customers who are required to pay in advance, “would be stranded.” ORS

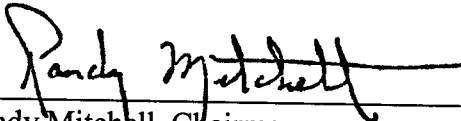
asserts that if a bond was in place, these consumers would be afforded funds from which a remedy could be sought.

Nationwide requests that we deny the ORS Petition, in that the Commission's decision not to require Nationwide to post a bond, based upon the facts before it in this Docket, was reasonable and proper. Nationwide noted that Ms. Lutich differentiated between Nationwide and providers of prepaid debit card services, and explained why a bond is not necessary for Nationwide. We agree, and do not believe that we need to reach a determination of the broader issues raised by ORS in this case in order to reaffirm the position taken in our original order.

As was stated, Nationwide allows a 30 day trial period at no charge to the customer. The customer only pays the various charges for the telecommunications services after he/she has already received service for 30 days. Accordingly, it is our view that Nationwide customers actually end up paying for their services in arrears, and this is not a prepayment situation. An examination of the Company's proposed tariff confirms this belief, wherein it is stated that services are billed in arrears. See Proposed Tariff of the Company at Section 2.5.2 (C). Since this is not then a prepaid services situation, and no monies are prepaid to the Company prior to services being rendered, there is no need for a bond for protection of the public. We reaffirm our prior position, and the ORS Petition is therefore denied and dismissed.

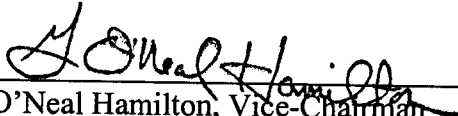
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice-Chairman

(SEAL)